

Summary of Dearborn County 2009 Annual Adjustment Methodology

Method

The sales comparison method was used to adjust the assessments in Dearborn County for 2009. The assessments were derived using the Real Property Assessment Guidelines for 2002-Version A. The sales used for the 2009 annual adjustments were from 2007 and 2008. The land base rates and neighborhood factors were examined in each neighborhood and property class. Neighborhoods with an insufficient number of sales were compared to similar neighborhoods. The criteria for comparison were geographic location, similarity of land size and improvement type and age, and any other factors deemed relevant. The neighborhoods with an insufficient number of sales were then adjusted in a similar manner to those with sufficient sales to which they had been compared. Comparisons were also made between adjoining neighborhoods and townships to insure the continuity of land base rates and neighborhood factors.

Industrial Properties

No sales of industrial properties occurred in 2008 in Dearborn County therefore, sales from 2005 and 2006 were used in the ratio study to get a sufficient number of sales. No time adjustments were deemed necessary because the industrial market in Dearborn County has shown little change since 2004, the first year sales were analyzed for the 2006 ratio study. The lack of industrial market activity and the stagnation of the market in commercial and residential properties is an indication that the industrial market is stagnant as well.

Commercial Properties

Insufficient sales of vacant commercial parcels occurred in Center Township. Insufficient sales of improved commercial parcels occurred in Clay, Kelso, and Miller Townships. Data was combined from all commercial property sales to evaluate those areas. The PRD's for vacant commercial properties in Lawrenceburg Township and combined vacant commercial properties are outside the boundaries of statistical tolerance. As a result, the Spearman Rank test was performed and indicated that the assessments of the Lawrenceburg Township vacant commercial properties and the assessments of the combined vacant commercial properties are acceptable. The PRD's for improved commercial properties in Center and Sparta Townships are outside the boundaries of statistical tolerance. As a result, the Spearman Rank test was performed and indicated that the assessments of improved commercial properties in Center and Sparta Townships are acceptable.

The only market change occurred in the cities of Aurora and Lawrenceburg on the non US 50 properties. Most of the non US 50 properties in the cities of Aurora and Lawrenceburg decreased in value while the outlying areas and US 50 properties showed little change in value. The Aurora and Lawrenceburg non US 50 properties had shown an increase in value in recent years while the outlying areas showed little change. What

occurred in the 2007 and 2008 sales of non US 50 properties in the cities of Aurora and Lawrenceburg may have been a correction of a previously inflated market.

Residential Properties

The PRD's for vacant residential properties in Harrison, Logan, Miller, and York Township's are outside the boundaries of statistical tolerance. As a result, the Spearman Rank test was performed and indicated that the assessments of vacant residential properties in Harrison, Logan, Miller, and York Townships are acceptable. The median for Harrison Township vacant residential properties is outside the boundaries of statistical tolerance. As a result, the confidence interval for Harrison Township vacant residential properties was calculated and indicates that the median for Harrison Township residential properties is within statistical tolerance. Little change has occurred in the residential market in Dearborn County as indicated by the 2007 and 2008 sales.